



SENATE BILL 51: Charitable Solicitations/Clarify Exemption

2011-2012 General Assembly

Committee: Senate Finance
Introduced by: Sen. Bingham
Analysis of: First Edition

Date: March 8, 2011
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SUMMARY: *Senate Bill 51 would exempt from the charitable solicitation licensure requirements any organization with a membership that is composed solely of 20 or more educational institutions.*

CURRENT LAW AND BILL ANALYSIS: A charitable organization that solicits contributions in this State must be licensed to do so by the Secretary of State. The license must be renewed annually. The cost of the license varies depending upon the amount of contributions received in the last fiscal year. For an organization that receives contributions of \$200,000 or more, the license fee is \$200. The organization must also file an annual report.

Among the list of nonprofits¹ exempt from the licensure and reporting requirements are educational institutions accredited by the Southern Association of Colleges and Schools and any foundation having an established identity with any of these schools. The North Carolina Independent Colleges and Universities is an organization comprised of 36 North Carolina private, non-profit colleges and universities accredited by the Southern Association of Colleges and Schools. In addition to services the organization provides to its member schools, it solicits contributions for its Independent College Fund of NC. The money in the Fund is used to provide student scholarship aid. In the past, this organization has been considered a foundation having an established identity with an educational institution. Recently, a question has arisen about the clarity of the law on this issue. This bill would provide that clarity by specifying that an organization with a membership composed solely of 20 or more educational institutions is exempt.

EFFECTIVE DATE: The bill would become effective July 1, 2011.

S51-SMRB-13(e1) v1

¹ Other nonprofit entities exempt from the licensure requirements include religious institutions, volunteer fire departments, and nonprofit continuing care retirement homes.